

## Summary of Superintendent's Weekly Updates

9/24/15

**K-12 Funding Litigation:** The latest rumors are that a **special legislative session** may be called by the year's end, but there is disagreement over the desired outcomes. The **Governor** has publicly stated he sees his plan to raid the **State Land Trust to fund K-12** as completely independent of the lawsuit settlement, **Senate President Biggs** and **House Speaker Gowan** have stated it must be tied to the settlement. Furthermore, they want to bring a proposal for voters to **remove the inflationary increases** from Prop 301's provisions, **retroactively**, to effectively make the litigation moot. They also want voters to approve raiding funding for **First Things First** to pay for K-12. Voters defeated a similar proposal in **2010** in the peak of the recession, so many speculate it will not be approved by voters.

**AZ Rated as Having One of the Most Regressive Tax Systems in the Country:** **WalletHub** recently rated states on the **fairness of taxation** and **AZ** ranked **41<sup>st</sup>**, meaning the system is considered to be **one of the least fair**. This is mainly due to AZ's dependence on sales tax, with low personal and corporate income taxes (progressive) and average property taxes. Sales taxes tend to have a disproportionately higher impact on lower income residents. Click here for details: <http://verdenews.com/main.asp?SectionID=1&SubSectionID=1&ArticleID=67314>

**Classrooms First Council:** **Gov. Ducey's Classrooms First Council** recently released its preliminary framework for **modernizing the state's K-12 education funding system**. The framework was met with excitement by *A for Arizona* and the *Arizona Chamber of Commerce and Industry*. "This first set of recommendations underscores the belief that all of Arizona's children deserve access to a great education," *A for Arizona* Executive Director **Lisa Graham Keegan** said. The recommendations stress clarity, transparency, excellence, recognition of results and high quality choice for all regardless of zip code. They clearly support the principles laid out by **Gov. Ducey** at the Council's first meeting in June. The **Council** recommends that parents should have access to an easy-to-understand report that makes clear how each campus is allocating its dollars. The **Council** also recommends development of a website to help parents calculate and understand how much local and state funding is attached to their child.

"Parents should be able to compare academic achievement and resource allocation between schools," *Arizona Chamber of Commerce and Industry* President and CEO **Glenn Hamer** said. "Our current system is, to be kind, opaque, with numerous barriers preventing parents and community members from making apples to apples comparisons and understanding how public dollars are being spent and the quality of the educational results we're receiving." A major theme of **Gov. Ducey's** administration has been lifting regulatory burdens on business. That same goal has made its way into the **Classrooms First Council** with a recommendation that our

A-rated schools should be exempted from burdensome and redundant financial and operational reporting. The framework suggests additional funds for grade-A schools that demonstrate excellence and for those grade-B and C schools that show significant improvement. Most importantly, additional funding to each school will vary depending on the number of low-income students in each school. The recommendation acknowledges the unique needs of schools that educate large numbers of low-income kids and do it well. There are also many areas the **Council** identified where it needs to continue studying – mainly details about how the funding system could be changed. The ***Classrooms First Council's final recommendations*** are slated to be delivered **December 2<sup>nd</sup>**.

**10/2/15**

**Douglas' Education Plan:** State Superintendent Diane Douglas announced her “**Education Plan**” on Thursday. It calls for the following:

- Using the \$400 million of immediate funding she previously proposed from the General Fund (on top of whatever award the court makes in Cave Creek v. DeWit), the severe teacher shortage should be addressed.
- Create “Education Development Zones,” similar to Economic Development Zones, which allow significant tax breaks for business that move into economically depressed areas, thereby stimulating the economy and offering additional choices.
- Create “culturally inclusive programs” that “celebrate the diversity of our population and the struggles and successes of all our citizens.”
- Challenges the State Board of Education to abolish the Common Core.

**Douglas' education plan**, which includes a funding component and is explained in **156 pages**, has **more details than the ones put forward by Ducey, legislative Republicans or legislative Dems**. **Douglas** said the additional **\$400 million** for schools should be on top of any amount ultimately awarded to schools in the K-12 inflation lawsuit. She didn't identify where the money to satisfy the K-12 inflation lawsuit would come from, but **Douglas** said the **\$400 million** should come from the general fund and be approved in special session. It should also start this fiscal year. **Douglas** said if the **Legislature** and the public approve drawing down more money from the land trust, it could count towards the **\$400 million**, “so long as the **State Treasurer** verifies the expenditure from the land trust fund would **not deplete the corpus** of the trust.” **Douglas** said the **\$400 million** yearly allocation should be done in perpetuity. “**Funding for education should not rise and fall due to poor planning of state finances**,” she said, as her plan shows an info graphic showing a **funding cliff** that would be created by **Ducey's proposal**.

**National Headline:** Education Secretary **Arne Duncan** is **stepping down in December**, the White House said Friday. Former New York state commissioner **John King**, a deputy secretary at

the agency for the last few months, has been selected to take his place. **Duncan** is one of just a few members of **Obama's** original cabinet remaining in office. His family recently moved to Chicago, where **Duncan** ran public schools for several years before his appointment. **Duncan** has clashed with teachers unions, parents and members of **Congress** in his time in office. He said in an email about his decision that he doesn't have immediate plans lined up for life after the administration.

**10/9/15**

**Bond & Override Elections:** The number of **AZ school districts** asking local taxpayers for assistance funding through approval of **bonds** and **overrides** this year is **up 150% since 2008**, from **20** to **50** of AZ's **238** school districts. The impact of **steep cuts in state funding** from 2008 to 2012 were cited by many of the school boards that called for the measures, which will appear on the November 3<sup>rd</sup> ballot for voters in **21%** of Arizona's school districts. The **Legislature cut per-student funding by 17.8%** from 2008 to 2012, according to a Center on Budget and Policy Priorities report released in October 2014.

**Project WET:** As part of **Project WET**, our **ecology students**, under the direction of **Ms. Upite**, spent Thursday at **Dead Horse State Park** teaching over **200 4<sup>th</sup> graders** about the water cycle and water conservation. This annual event has been very well received and we may bring forth more information in an upcoming showcase at a board meeting.

**Yavapai County Fair Art Contest:** There was some speculation that the **Yavapai County Fair** was no longer going to have an **art contest**, so our students were less prepared this year and entered **31 works of art** (lower than typical volume). Of those **31** entries, **27 received ribbons!** These great works of art are displayed with their ribbons around the campus.

**Litigation Update:** Tuesday, the **AZ Court of Appeals** issued a stay on **Superior Court Judge Katherine Cooper's order** that the **Legislature reset the base student support level immediately** (a \$340 million impact to the state budget). This means **there is no current order in place to enforce the judgment**. The plaintiffs will now move to expedite the hearing on the substance of the appeal itself; however, they expect that this will take months, not weeks to happen. ☹

**Cell Tower Update:** We received word this week that the **cell tower project** is now back on track and **AT&T** does not want to disrupt school operations, so **they are scheduling the project for next summer** after the school year ends. As you may recall, this project includes construction of a cell tower near the tennis courts and will provide us with some revenue. It was supposed to be constructed last summer, but **AT&T** suspended projects when it purchased DirectTV and was short on capital funds.

**FFMA Distribution:** The **Forest Fee Management Association** board recently voted to distribute most of the County's half of the PILT funds to school districts as one-time payments. This is good news as these funds will cover the costs of our bond election. The newest **FFMA board** member, **Kirk**, was influential in this decision so we appreciate his efforts and participation on the board.

**Classrooms First Initiative Council:** As you may know, the **Governor's Classrooms First Initiative Council** met in **Prescott** on Thursday and will go to **Tucson** for its next meeting. This group of hand-picked leaders is working diligently to bring forth proposals to the **Governor** by **December** to **reform school finance**, with the intent of getting more funds into classrooms. I attended the meeting and it seemed the main intent was time for working groups to meet and for the full council to elicit public comments. They waived the 3-minute limit for public comments and, consequently, received **80 minutes of public participation**. The public input was good and hopefully it impacted council members. The main educational lobbyists in AZ were there, although the Verde Valley lobbyist was not. It will be interesting to see what comes from the council, especially as they now seem to be getting to details, which is where the true challenges arise.

**10/16/15**

**Bond Pamphlet Question:** I have received several questions about the **12% maximum interest rate cap** listed in the **bond voter information pamphlet** (p.2). I asked our bond consultants and they said it was a customary cap and some issuers have used 10%, but most are reluctant to do so. They predict bond rates will stay much lower, within the **4.5%-4.75%** range projected. I will put an **item** on the upcoming **meeting agenda** to explain this and give assurances that we have no intention of selling bonds at rates anywhere near 12% interest.

**Parent Opt Out of State Testing:** AZ Attorney General **Mark Brnovich** has issued a legal opinion, which was requested by the **State Superintendent**, in which he states that "parents do not have the right to opt their students out of state mandated testing." In some states, parents have been given this right and it will be interesting to see if the **Legislature** passes a bill to allow it here.